

Message Text

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44

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00

NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20 STR-08

TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01 DRC-01

/170 W

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R 251410Z OCT 73

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC 8998

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY KINGSTON

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LIMITED OFFICIAL USE GEORGETOWN 1585

E.OM 11652: N/A

TAGS: EAGR PFOR

SUBJECT: CUT IN US SUGAR QUOTA

REF: (A) GEORGETOWN 1570 (B) GEORGETOWN 1547 (C) STATE 208368

1. IN RESPONSE DIRECT INQUIRIES FROM MEDIA, EMB OFFICER WITH MY AUTHORIZATION DENIED US ACTION TO REDUCE WDSI INDIES' SUGAR QUOTA WAS IN ANY SENSE PUNITIVE ACTION OR BASED ON POLITICAL CONSIDERATIONS. EXPLAINED SECTION 202 D 4 OF LAW. STATED NO INFORMATION AVAILABLE HERE ON ALLEGATIONS OF BOLIVIAN AND PERUVIAN PROFITERRING AND HENCE VIOLATIONS OF LAW WITHOUT SUFFERING PENALTIES, BUT POINTED OUT PERU AND VENEZUELA IN FACT SUFFERED REDUCTIONS BECAUSE OF SALES TO THIRD COUNTRIES. REASONABLY POSITIVE AND ACCURATE ARTICLE BASED ON FOREGOING APPEARED IN OCTOBER 19 ISSUE OF GOVERNMENT-OWNED CHRONICLE UNDER HEADLINE "US DENIES PUTTING SUGAR SQUEEZE ON W.I."

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2. HOWEVER SUNDAY ARGOSY OF OCTOBER 21, NOT KNOWN FOR ANY

PARTICULAR FRIENDLINESS TOWARD OR UNDERSTANDING OF US, CARRIED SCURRILOUS EDITORIAL HEADED "QUOTA PRESSURE." STATED US SLASHED WEST INDIES QUOTA DRASTICALLY "ON THE MERE PRETEXT THAT THE COMMONWEALTH CARIBBEAN SUGAR PRODUCING COUNTRIES HAD DEFAULTED ON THEIR QUOTA SUPPLIES FOR 1972 AND 1973..." ASSERTING THAT PERU AND BOLIVIA ALSO DEFAULTED TO SELL IN WORLD MARKET BUT DID NOT SUFFER PENALTIES, EDITORIAL CONCLUDED THAT US ACTION AGAINST WEST INDIES COULD BE EXPLAINED AS "RETALIATION FOR THE COMMONWEALTH CARIBBEAN'S DEFINANCE OF THE UNITED STATES WISHES BY FORGING CLOSER IES WITH DR. FIDEL CASTRO'S SOCIALIST REPUBLIC--CUBA." WENT ON TO DISCUSS US POLICY VIS A VIS CUBA, BELIEF OF CARIBBEAN IN SOVEREIGN INDEPENDENCE OF STATES AND NEED OF US FOR CARIBBEAN SUGAR, LEADING TO CONCLUSION THAT PRODUCERS SHOULD GET TOGETHER IN ORDER RESIST US ECONOMIC PRESSURES. FULL TEXT FOLLOWS BY SEPARATE TELEGRAM.

3. PERHAPS MORE SIGNIFICANT WAS EDITORIAL WHICH APPEARED IN OCTOBER 20 ISSUE OF NEW NATION, ORGAN OF GOVERNING PEOPLE'S NATIONAL CONGRESS(PNCL ENTITLED "ANOTHER WATERGATE" US ACTION, EDITORIAL STATED, "OUGHT TO SERVE AS A BEACON TO THE PROGRESSIVE FORCES OF THE THIRD WORLD...TO COUNTER TH ECONOMIC, SOCIAL AND POLITICAL PRESSURES OF THE SUPER-POWERS. IT OUGHT MORESO(SIC) TO SERVE AS AN EYE-OPENER TO THE COMMONWEALTH CARIBBEAN AS TO THE PRICE TO BE PAID FOR GENUINE INDPENDENCE." WENT ON STRESS CARIBBEAN EFFORTS ACHIEVE GENUINE INDPENDENCE AND DETERMINATION NOT TO BROOK ANY INTERFERENCE FROM EAST OR WEST IN DETERMINING FOREIGN, TRADE, ECONOMIC OR CULTURAL POLICIES. TERMED ACTION BY STATE DEPT "ATROCIOUS" AND EXCUSES FOR IT DUBIOUS." "THE REAL SEASON FOR THE DECISION IS OUR INDPENDENT APPROACH TO DOMESTIC AND FOREIGN AFFAIRS." AGAIN, FULL TEXT FOLLOWS BY SEPARATE TELEGRAM SINCE BELIEVE IT IMPORTANT DEPT HAVE FULL FLAVOR OF PROPAGANDA ATTACKS SUGAR PROBLEM GENERATING.

4. MEANWHILE, HEAD OF BOOKERS SUGAR ESTATES SAID PRIVATELY HE HAD CAUTIONED FRANK NOEL, PERMSEC MIN TRADE, BEFORE HIS DEPARTURE FOR "TECHNICAL TALKS" IN WASHINGTON NOT TO PRESS FOR A 1974 QUOTA WHICH WEST INDIES WOULD BE UNABLE TO FILL. (REF B) SUGGESTED THAT NO MORE THAN 60,000 TONS COULD BE PROVIDED US IN 1974, BUT THAT REAL PROBLEM WOULD BE 1975 AND THERE- LIMITED OFFICIAL USE

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AFTER WHEN PRODU TION CHOULD BE BACK TO MORE NORMAL LEVEL, IN GUYANA AT ANY RATE.ENTIRE FUTURE OF INDUSTRY AT STAKE.

5. WE FIND DEPT'S EXPLANATION OF BOLVIAN AND PERUVIAN SITUATION (REF C) SOMEWHAT LESS THAN HELPFUL. WE ARE STUCK WITH CHARGE OF "SELECTIVE NON-ENFORCEMENT" OF THE LAW. IF ONE "TECHNICAL VIOLATION" CAN BE WAIVED,WHY NOT ANOTHER, ESPECIALLY WHEN IT WAS CAUSED BY ADVERSE WEATHER AND NEED

PROTECT ACCESS TO ENLARGED EEC? WE MAY KNOW THE ANSWER TO
THIS QUESTION, BUT CARIBBEAN COUNTRIES BEING HIT BY REDUCTION
IN THEIR QUOTAS DO NOT. LOGICALLY, THEY WILL CONTINUE TO
DRAW THEIR OWN CONCLUSIONS AND THESE WILL CONTINUE TO BE
DETRIMENTAL TO US. KING

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